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Wages of Food Service Employees 1/

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APR 25 1962

Away-from-home eating places represent an important but little explored channel of marketing. In 1958, these eating places accounted for about 16 percent of total food expenditures. 2/ About 230,000 eating places were in operation in the U.S. in 1958 and had sales of about \$11 billion. 3/ Approximately three-fourths of these establishments hired employees and these establishments in 1958 reported sales of \$10 billion. About 1.3 million persons were employed by these establishments and payroll costs amounted to \$48 million.

Between 1953 and 1959 prices of foods eaten away from home rose 15 percent compared with a rise of 3 percent in prices of food eaten at home, according to the Bureau of Labor Statistics indexes. 4/ During 1959, prices of food away from home continued to rise, while prices of food at home declined.

Labor costs make up about a fourth of value of sales of eating establishments; 5/ nevertheless wage rates in food service establishments generally are low in comparison with other wage rates. This report describes the rates paid to 10 different kinds of workers employed in away-from-home eating establishments, showing the difference in rates among areas and among jobs commonly making up the food service industry.

Nature of Data

In an effort to establish prevailing wage rates for employees in Veterans' Administration Hospitals throughout the country, the Veterans' Administration periodically surveys establishments providing food services to determine the wages paid. Establishments surveyed include hotels, restaurants, hospitals, schools, and manufacturing firms, retail establishments providing food services, bakeries, and grocery stores. Only establishments providing services generally comparable in quality to that expected by Veterans' Hospitals are included in the survey.

Only jobs matching the 10 classifications shown in table 11 are included in the study. 6/ These data are hourly rates adjusted to compensate for certain specific fringe benefits such as privileges relating to payment for food and bonuses. Averages for specified jobs are weighted by number of employees. Data are available for 1959 for 95 cities, including about 47,000

1/ Prepared by Imogene Bright, Agricultural Economist, Marketing Economics Research Division, Agricultural Marketing Service.

2/ Census of Retail Trade defines eating places as establishments selling prepared foods and drinks for consumption on their own premises. Establishments primarily engaged in selling drinks such as beer, ale, wine, or other alcoholic beverages for consumption on their own premises are classified as "drinking places." These figures do not include establishments that serve meals but are primarily engaged in other activities; also not included are hospitals, schools, and similar institutions. Sales of eating places are those published in the 1958 Census of Business; annual expenditures for food are those estimated by the U.S. Department of Commerce.

3/ These totals exclude Alaska and Hawaii.

4/ Separate index for food eaten away-from-home available only since 1953.

5/ Census of Business, "Retail Trade" (Advance United States Summary), 1958.

6/ See appendix for job descriptions.

employees from 1,800 firms. Data obtained from this survey can be applied only to jobs in the larger eating places; small restaurants would generally have a different job structure and division of labor from those presented here.

Job Structure

Dishwashers were the lowest paid of the 10 food service job classifications surveyed. In cities for which data were available wages paid in this occupation in 1959 averaged \$1.08. The highest paid job was meatcutter, averaging \$2.19 in 1959 (table 11). The baker was the second highest paid worker, followed by cook, junior meatcutter, baker helper, junior cook, cook helper, and food service workers, class II and I. This same ordering of jobs appeared in each area.

The differential between average hourly wage rates of skilled and unskilled jobs, best represented by the meatcutter and dishwasher, amounted to \$1.11 for all cities, \$1.13 in the northern cities, \$1.06 in the southern cities, and \$1.18 in the western cities. 7/

Regional Differentials

Southern cities as a group had the lowest average hourly rates for all jobs; western cities, the highest. 8/ For all food service jobs, the differential between averages for the South and the West--the lowest and the highest regional averages--was 39 cents in 1959. Regional differentials for specific jobs ranged from 33 to 52 cents. 7/ Jobs that required more skill had somewhat larger differentials between areas than did unskilled jobs.

Table 11.--Average hourly rates for key food service jobs, in selected cities, 1959

Jobs	: : All cities :	: : Northern : cities :	: : Southern : cities :	: : Western : cities :
	: : Dollars :	: : Dollars :	: : Dollars :	: : Dollars :
Meatcutter	2.19	2.30	1.92	2.41
Baker	1.94	1.98	1.72	2.24
Cook	1.81	1.90	1.61	1.94
Junior meatcutter	1.78	1.86	1.58	1.95
Baker helper	1.56	1.65	1.35	1.76
Junior cook	1.53	1.61	1.31	1.69
Cook helper	1.29	1.36	1.11	1.47
Food service worker II	1.29	1.41	1.05	1.41
Food service worker I	1.15	1.26	.96	1.27
Dishwasher	1.08	1.17	.86	1.23

7/ Analysis of variance indicated that differences in wages paid for different jobs and in hourly wages paid in the various regions were statistically significant at the 5 percent level.

8/ "Differentials in Workers' Earnings in Selected Segments of Food Marketing," AMS, September 1959, deals with regional differences for food industries.

Appendix: Job Descriptions

1. Cook helper: Performs the simpler cooking tasks, such as preparing raw vegetables for cooking and placing in kettles or steamers, making fruit juices, boiling eggs, making toast and coffee, preparing soup stocks, cooking cereals, etc. As required, washes utensils, cleans refrigerators, stoves, and other equipment.
2. Junior cook: Independently performs moderately difficult tasks in preparing small quantities of quickly prepared food such as steaks, chops, cutlets, hamburger, eggs, salads and other similar items.
3. Cook: Prepares in large quantities, by various methods of cooking, meat, poultry, fish, vegetables, etc. Seasons and cooks all cuts of various meats, fish, and poultry. Boils, steams, or fries vegetables. Makes gravies, soups, sauces, roasts, meat pies, fricassees, casseroles, and stews.
4. Baker helper: Performs the simplest baking tasks such as assembling materials and weighing, measuring, and mixing ingredients for bread, rolls, cakes, cookies, and similar products. Also, may ice plain cakes, fill pie shells, etc.
5. Baker: Applies full knowledge of baking trade and is responsible for producing standard baked goods such as bread, rolls, cakes, cookies, biscuits, muffins, various types of puddings, and ice cream or sherbets.
6. Junior meatcutter: Performs moderately difficult tasks in a meat shop and assists an experienced meatcutter in receiving, inspecting, storing, cutting, and weighing meats, fish, and fowl. Receives additional on-the-job training and gains a broader knowledge of the proper methods of handling and storing meats and greater skill in the use of cutlery and other equipment of trade. Keeps shop and equipment clean and in a sanitary condition.
7. Meatcutter: Utilizing standardized meat-cutting methods, breaks down meat carcasses and wholesale cuts; bones and cuts meat into roasts, steaks, chops, etc. Cleans and cuts fish into fillets and steaks. Draws, dresses, and cuts poultry. Must have a knowledge of methods of handling and storing meats, fish, or fowl.
8. Dishwasher: Manually or mechanically washes and rinses dishes, glasses, and silverware; maintains proper temperature for sterilization, and adds soap as needed; performs other duties as assigned.
9. Food service worker I: Washes, peels, chops and dices food; makes toast; cuts butter; slices cakes and pies; transports food or food carts; scrapes, washes, and sorts dishes, glassware or silverware; sweeps and mops floors; scours pots, pans, or other cooking utensils and equipment; etc.
10. Food service worker II: Cuts fruits and vegetables; mixes simple salads and desserts; cooks cereals; dredges meats, poultry, and fish; operates electric mixers, grinders, and slicers; scales, skins and cuts fish; makes coffee or tea; and serves food cafeteria or family style.

